

VZCZCXRO2627
RR RUEHIK
DE RUEHDF #0050/01 3560954
ZNR UUUUU ZZH
R 220954Z DEC 09
FM AMCONSUL DUSSELDORF
TO RUEHC/SECSTATE WASHDC 0251
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUCNFRG/FRG COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 0001
RUEHDF/AMCONSUL DUSSELDORF 0269

UNCLAS SECTION 01 OF 02 DUSSELDORF 000050

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [PREL](#) [PHUM](#) [PGOV](#) [ECON](#) [EINV](#) [ETRD](#) [CH](#) [GM](#)

SUBJECT: RUETTIGERS LOOKING TO THE EAST AFTER SUCCESSFUL CHINA TRIP

DUSSELDORF 00000050 001.3 OF 002

¶1. (U) Summary: A recent visit to China by North Rhine-Westphalia (NRW) Minister-President Juergen Ruetters (CDU), the first by a NRW Minister-President since 1988, focused on trade, economics, science and cultural matters, but political issues, such as the role of the Dalai Lama, were also raised. Ruetters was accompanied by a delegation of approximately 100 business leaders and scientific experts. During the visit, the Chinese telecommunication and IT conglomerate Huawei announced plans to expand its investments in NRW by establishing a research and development center in Duesseldorf. A high-level official of the NRW state chancellery described the visit as "extremely successful." NRW's investment arm, NRWInvest, told us that, given NRW's transport and logistics infrastructure, the goal was to make NRW a jumping-off point for Chinese business in Europe. Publicly, Ruetters played up the visit, saying that NRW has a good chance of becoming the "center for the China business in Germany and Europe." End summary.

Business, Research Cooperation and the Dalai Lama

¶2. (U) Ruetters' senior foreign policy advisor Herbert Jakoby, who was present at all of the M-P's meetings with his Chinese interlocutors, told Pol/Econ staff on December 7 that Ruetters was accompanied by an unusually large delegation of around 100. The delegation consisted of businessmen from NRW (mostly from SMEs), science and education experts, government officials, and journalists. Deputy Minister-President and Innovation Minister Andreas Pinkwart (FDP) also participated in the first part of the visit, which began in Beijing and continued with meetings in Shanghai, Nanjing and Chengdu.

¶3. (SBU) Chinese Deputy Prime Minister Zhang Dejiang, who has special responsibilities for economic and financial affairs, was Ruetters' highest ranking interlocutor in Beijing. The conversation was not confined to economic themes. Zhang raised the issue of the Dalai Lama's May 2008 visit to Germany, expressing the Chinese government's displeasure over Ruetters' meeting with the Dalai Lama at that time. (Comment: In fact, it was Ruetters' second meeting with the Dalai Lama. End Comment)

According to Jakoby, this topic came as a complete surprise to the delegation, since preparatory meetings with Chinese counterparts had given no indication that the Chinese would raise the issue. Countering the criticism, Ruetters stressed that his meeting with the Dalai Lama was in connection with the latter's function as a religious leader and did not have a

political aspect. Ruettggers added that he has never questioned the "one-China policy" and would adhere to this position in the future as well. Jakoby noted that Zhang is known as one of China's "conservative hardliners."

14. (SBU) Ruettggers and Innovation Minister Pinkwart also met with Chinese Science Minister Wan Gang to explore possibilities for closer cooperation between Chinese universities and research institutions and their counterparts in NRW. In a speech given during a public forum at the Chinese-European Chamber of Commerce in Beijing, Ruettggers raised IPR, rule of law and competition issues. The forum was also addressed by Yu Chabing, the director of a Chinese think tank and advisor to the Chinese government, who, according to Jakoby, showed "remarkable openness" in describing China's present problems (pollution, corruption, ineffective administration, demographic change, developmental differences between rural and urban areas). For Jakoby, Yu's remarks were a sign of "limited pluralism" in China, which could no longer be described as a monolithic country.

Focus on Trade and Investment

15. (SBU) In Shanghai, Nanjing and Chengdu, Ruettggers visited four subsidiaries of NRW companies and several Chinese companies which have invested or are planning to invest in NRW. Huawei, a telecommunication and IT company based in Shanghai, announced during the visit that it will expand its European headquarters

DUSSELDORF 00000050 002.3 OF 002

in Duesseldorf by establishing a research and developing center there, creating several hundred new jobs. In Nanjing and Chengdu, Ruettggers met with the governors of the Jiangsu and Sichuan provinces and signed cooperation agreements to further develop the partnerships between NRW and these provinces. At a press conference following his return from China, Ruettggers expressed satisfaction with the results of his trip, saying that NRW has a good chance of becoming the "center of China's business in Germany and Europe." Contacts at NRWInvest presented a slightly less lofty -- and perhaps more realistic -- goal: NRW, with its well-developed transport and logistics capabilities, as a jumping-off point for China for at least this part of Europe.

Comment

16. (SBU) Ruettggers' trip to China reflects the NRW government's determination to continue to reach out to new markets and potential investors. Recognizing China's ascendant role, it makes sense for the state -- already a focal point for Japanese business, as well as U.S. investment -- to try to draw in as much Chinese business as possible. Their pitch of NRW as a state with a well-developed infrastructure is a strong selling point. It makes sense as well for NRW to seek diversity for its export-oriented economy. This latest experience in China is something else Ruettggers will have in his pocket when he makes his annual trip to the U.S. in February and for state elections in May.

17. (U) This cable was coordinated with Embassy Berlin.

